

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

February 29, 2000 LB 930

CLERK: Mr. President, LB 930, introduced by Senator Landis. (Read title.) The bill was introduced on January 5 of this year, referred to the Banking Committee, advanced to General File. I do have committee amendments, Mr. President. (AM2054, Legislative Journal page 327.)

SENATOR CUDABACK: Senator Landis, you're recognized to open on your bill.

SENATOR LANDIS: Thank you, Mr. Speaker, members of the Legislature. I'll tell you the four things that are in the bill, and then we will have a committee amendment, I think, that will get recognized, and that really takes one idea out of the bill. And I'll explain that idea when we come to the committee amendments. This bill comes to us from the Banking Department, it's their annual...I'm sorry, the Insurance Department, this is the annual Insurance Department clean-up bill. There are four basic ideas in the bill. First, last year we passed a new set of accounting principles to be used in analyzing insurance companies. That was a model act and we passed that, even though we had written our own accounting bill, oh, four, five or six years earlier, under Bill McCartney. Frankly, the rest of the NAIC and other states looked to Nebraska and several other states who'd revamped their statutory principles, and that had a rather good, salubrious effect when it came time to developing national accounting principles for insurance. So we had a positive hand in the creation of that...of that new nationwide model act which we did last year. However, we discovered that there were parts of accounting principles strung out, throughout the statutes. So that when we did our repealer, last year, we missed a number of statutory references to accounting principles that were out-of-date. So the first thing that's in this bill is it goes back through, combs through the insurance codes, finds sections where there's reference to accounting principles that are out-of-date and repeals them. Secondly, this passes into state law what is the federal rule with respect to mastectomy benefits. By paralleling the federal program it would allow an individual to use a state mechanism for enforcement purposes; allows the state department to assist in making sure that these mastectomy benefits are offered and in fact carried out. So the basic principle is one of federal